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Report of the Committee of Experts on Environmental-Economic Accounting

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-second session (see E/2011/24, chap. I.B), the Secretary-General has the honour to transmit the report of the Committee of Experts on Environmental-Economic Accounting. The report elaborates on the progress of work of the Committee, in particular with regard to the project on the revision of the System of Environmental-Economic Accounting (SEEA). It describes the process of drafting SEEA central framework. It also provides an update on the progress of work on SEEA experimental ecosystem accounts and SEEA extensions and applications. It reports on the progress of work in drafting SEEA for Energy and describes the activities of the Committee in the promotion and implementation of SEEA. Points for discussion are provided in paragraph 68 of the present report.

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Report of the Committee of Experts on Environmental-Economic Accounting

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I. Introduction

1. At its forty-second session, the Statistical Commission:

(a) Commended the progress achieved in the work carried out by the United Nations Committee of Experts on Environmental-Economic Accounting, and noted with appreciation that the work on the revision of the System of Environmental-Economic Accounting was on track despite the tight deadlines;

(b) Appreciated the transparent process for developing agreed recommendations on the items in the issue list for volume 1 of the System of Environmental-Economic Accounting, in particular the global consultation resulting in cooperation with various stakeholders within national statistical systems;

(c) Reiterated the urgency to complete volume 1 of the System of Environmental-Economic Accounting in time for its submission to the Statistical Commission at its forty-third session, and urged the Committee to consult on the draft chapters, in particular, and as early as possible, on issues of consistency that might emerge during the drafting of volume 1;

(d) Took note of the recommendations on the items in the issue list for volume 1, noting that for one issue the global consultation is ongoing and that for some of the other issues details are to be worked out in continued global consultation with countries through the draft chapters of volume 1 of the revised System of Environmental-Economic Accounting;

(e) Urged Member States to actively engage in promoting the System of Environmental-Economic Accounting as the statistical framework for assessing linkages between the environment and the economy in international forums, in particular the 2012 United Nations Conference on Environment and Development (Rio+20);

(f) Requested the Committee to develop, in consultation with Member States and the regional commissions, an implementation plan for the System of Environmental-Economic Accounting and to set appropriate priorities for Member States to follow.

2. The present report is organized as follows: section II contains a summary of the progress of work of the Committee, in particular on the project on the revision of the System of Environmental-Economic Accounting (SEEA). Section III affords an update on the progress of work in the preparation of the subsystem SEEA for Energy (SEEA-Energy). Section IV contains a report on the activities of the Committee on the promotion of SEEA. Section VI offers a discussion of the strategy for implementation of SEEA and section VII presents the points for discussion for the Commission.

II. Revision of the System of Environmental-Economic Accounting

A. Background

3. At its thirty-eighth session, the Commission stressed the importance of the work of the Committee in elevating the level of the *Handbook of National*

Accounting: Integrated Environmental-Economic Accounting 2003[1] to that of an international statistical standard based on an agreed issues list.

4. At its fortieth session, the Commission expressed its full support for the project on the revision of SEEA.[2] In recognizing the urgency of making the SEEA central framework available to countries, the Committee, under authority delegated by the Commission, decided to issue SEEA in three volumes: "volume 1, consisting of the international statistical standard; volume 2, consisting of those topics on which consensus could not be reached but which are highly policy-relevant; and volume 3, consisting of the applications of the accounts presented in volumes 1 and 2".[3] As requested by the Commission, the Committee has given priority to the completion of volume 1, the SEEA central framework. Volumes 2 and 3 are expected to be completed soon after volume 1 in 2013. Subsequently, the Committee decided that volume 2 would cover SEEA experimental ecosystem accounts and volume 3 SEEA extensions and applications.

5. The Committee established a bureau under authority delegated by the Committee to carry out activities and tasks in relation to strategic planning, programming and monitoring, reporting and resource mobilization for the project on the revision of SEEA. In May 2010, the Bureau of the Committee appointed Mr. Carl Obst, editor of the revised SEEA, and an editorial board, which comprises experts in environmental-economic accounts and national accounts from Australia, Canada, the Netherlands, Norway, the Statistical Office of the European Commission (Eurostat), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and the Statistics Division.[4] The editorial board has worked closely with the editor in reviewing draft chapters before they are submitted for global consultation; ensuring internal consistency of the revised SEEA, in particular with regard to addressing the issues in the issue list; ensuring that the comments received through the global consultation are taken into account; striving for consensus on controversial issues; and advising the Bureau on issues that cannot be resolved.

6. The Commission emphasized the need for the broadest possible involvement of the global statistical community in the revision of SEEA. The project website (http://unstats.un.org/unsd/envaccounting/seearev), which is maintained by the Statistics Division, promotes the mandated transparency and wide involvement not only of the statistical community in national statistical offices and international agencies but also the broader environmental and economic communities. Comprehensive and timely information related to the revision of SEEA is available on the website, including the agreed list of issues and related issues and outcome papers, recommendations on issues submitted to the Commission and comments made by countries and organizations on those issues, as well as draft chapters and comments on them.

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[1] ST/ESA/STAT/SER.F/61/Rev.1.

[2] Statistical Commission decision 40/104.

[3] E/CN.3/2009/7, para. 35.

[4] Members of the Editorial Board are: Michael Vardon (Australian Bureau of Statistics), Joe St. Lawrence (Statistics Canada), Mark de Haan (Chair of the London Group and Statistics Netherlands), Julie Hass (Statistics Norway), Brian Newson (Eurostat), Paul Schreyer (OECD), Kim Zieschang and Manik Shresta (IMF), and Alessandra Alfieri (United Nations Statistics Division).

7. The drafting and review of the three parts, or volumes, of the revised SEEA are discussed separately below, as is the financial situation of the project.

B. SEEA central framework

8. The development of the SEEA central framework (referred to in documents for previous sessions of the Commission as SEEA volume 1) consisted of the following phases: (a) developing an agreed list of issues which were addressed in issue papers produced by the London Group on Environmental Accounting and the Oslo Group on Energy Statistics; (b) preparing outcome papers presenting the deliberations of the experts; (c) seeking the comments of countries and international agencies on the outcome papers and development of a set of recommendations taking into account the country comments; (d) obtaining endorsement of the recommendations by the Commission at its forty-second session; (e) drafting individual chapters (chaps. 2-5) by the editor in consultation with the editorial board; (f) reviewing chapters drafted by countries and international agencies progressively through global consultation as they became available during the course of 2011; (g) drafting by the editor in consultation with the editorial board of a consolidated set of draft chapters for the central framework (chaps. 1-6)[5] taking into account the comments of countries and international agencies; (h) reviewing the complete set of chapters drafted by countries and international agencies in a final round of global consultation for conceptual and internal consistency and coherence with other international statistical standards; and (i) updating the draft chapters based on the comments received through the final round of global consultation.

9. Several features may be noted with regard to the transparent and consultative process of reviewing and commenting on draft chapters. Countries and international agencies were encouraged to consult with the ministries or government agencies responsible for producing or using the information discussed in the various chapters to ensure the relevance of the topics being discussed and comprehensive coverage of the topics. Several countries and international agencies used the opportunity afforded by the global consultation to raise awareness of SEEA beyond the statistical community and build cooperation across governmental and non-governmental agencies. The global consultation process was considered an important step to ensure the participation of the non-statistical community in the development of SEEA and acceptance of the SEEA framework for future implementation in countries.

10. On average, about 40 sets of comments were received on each chapter. In total more than 70 different statistical offices, ministries of environment or other governmental institutions and international agencies supplied feedback during the process. Responses were received from countries in all continents and from countries of varying economic structure and environmental situation. All comments, which ranged from helpful editorial suggestions to detailed technical input, are available on the project website. Individual comments on individual chapters (chaps. 2-5) and on the set of chapters of the central framework (chaps. 1-6) were analysed by the editorial board and grouped into several categories, ranging from those of a purely editorial and grammatical nature to technical issues requiring the

[5] Chapter 1 is the introduction and chapter 6 contains a description of how the accounts are integrated and presented.

attention of the editorial board. The editorial board discussed at length the issues and the editor subsequently revised the chapters on the basis of decisions taken together with the editorial board.

11. Chapters 2 to 6 present the fundamental concepts, definitions, classifications, tables and accounts of the SEEA central framework. In October 2011, chapter 1 was submitted for global consultation together with chapters 2 to 6. However, as chapter 1 presents an introduction to the entire SEEA, consisting of the SEEA central framework, SEEA experimental ecosystem accounts and SEEA extensions and applications, finalizing it has proved difficult at the current time for the following reasons. First, it would be difficult to explain the relationships between the different parts or volumes of SEEA considering that the SEEA experimental ecosystem accounts and the SEEA extensions and applications have not yet been drafted. Second, clarifications and elaborations would be needed on the text related to the ecosystem accounts and applications of SEEA in an all-encompassing chapter 1, once the other two parts have been finalized.

12. The Committee is presenting chapters 2 to 6, constituting the fundamentals of the SEEA central framework for adoption as an international statistical standard by the Commission. An introductory note of 3 to 4 pages describing the content of the chapters will be prepared as the new chapter 1 of the central framework. Chapters 1 to 6 will be made available as a background document for the information of the Commission.

13. SEEA furnishes the measurement framework for the environment and its interrelationship with humanity. Accounting rules are applied to environmental information, thus enabling coherence with other international macroeconomic and environment-related international statistical standards and recommendations, such as the System of National Accounts, the International Recommendations for Water Statistics and the International Recommendations for Energy Statistics. The SEEA central framework is focused on presenting the accounting structure (chap. 2); physical flow accounts (chap. 3); functional accounts, such as environmental protection expenditure accounts (chap. 4); asset accounts for natural resources (chap. 5); and integration of physical and monetary accounts (chap. 6). The SEEA experimental ecosystem accounts provide the measurement framework for the capacity of the ecosystem to provide services to humanity, as well as the flow of services provided by the ecosystems.

14. An analysis of the comments from the final round of global consultations on chapters 2 to 6, indicating how the main issues have been addressed, will be presented in a background document. Soon after adoption, a preliminary, so-called white-cover electronic version of the document will be made available on the project website so that producers and users of environmental-economic accounts may gain immediate access to the revised SEEA. Draft supporting documents, including glossary, lists of references, abbreviations and acronyms, supporting material for selected classifications and lists, a description of changes to SEEA-2003 and a description of the relationship between the revised SEEA and the *System of National Accounts, 2008*, will also be posted on the project website. Owing to time constraints, no data set populating the tables has been included in the version submitted to the Commission. The white-cover version will incorporate a draft set of illustrative numbers for relevant tables; it will be followed by a printed version.

Necessary arrangements will be initiated to ensure the timely translation of the document after editing requirements have been completed.

C. SEEA experimental ecosystem accounts

15. At its 6th meeting, the Committee discussed a road map and general concepts for SEEA experimental ecosystem accounts. It recognized the high level of policy demand for ecosystem accounts and expressed broad support for undertaking work in that area. The Committee stressed the need for bringing together different communities given the multidisciplinary nature of ecosystem accounts and supporting data, and clarification of the role of official statisticians, scientists and geospatial experts and economists developing ecosystem accounts. It requested the Statistics Division, the European Environment Agency and the World Bank to continue leading this work with the objective of developing a concrete proposal for discussion at the next meeting of the Committee in June 2012.

16. Three key meetings on ecosystem accounts took place in the course of 2011. The first was hosted by the World Bank in Washington, D.C., to launch the Global Partnership for Wealth Accounting and Valuation of Ecosystem Services. The Partnership embraced SEEA as the measurement framework for its activities and considered the framework to be an important vehicle to promote the implementation of SEEA in countries.

17. The second meeting was hosted by the European Environment Agency in Copenhagen in May 2011. The meeting demonstrated the emerging consensus on the conceptual framework for ecosystem accounts and the strategy for their development within the context of the revision process of SEEA. The third meeting was hosted in London in December 2011 by the Office for National Statistics, and the Department for Environment, Food and Rural Affairs of the United Kingdom of Great Britain and Northern Ireland. Participants discussed the issues on the issue list prepared as a result of the discussion at two previous meetings and at the Committee meeting in June. It reached agreement on the way forward in developing the SEEA experimental ecosystem accounts and on the road map and timeline to develop a draft SEEA experimental ecosystem accounts for discussion at the 7th meeting of the Committee in June 2012.

18. The list of issues developed in September 2011 and presented at the 17th meeting of the London Group, which was held in Stockholm in the same month, was discussed in great detail at the 3rd meeting on ecosystem accounts, which was held in London in December 2011. Those issues are as follows:

(a) Issue 1. Policy applications of ecosystem accounts;

(b) Issue 2. Structure of accounts;

(c) Issue 3. Land cover mapping, land cover classifications and accounting units;

(d) Issue 4. Carbon, nutrients and soil accounts;

(e) Issue 5. Landscape accounts and landscape ecological potential;

(f) Issue 6. Biodiversity accounts and indexes;

(g) Issue 7. Ecosystem capacity/total ecological potential;

(h) Issue 8. Classification of ecosystem services;

(i) Issue 9. Prioritization of ecosystem services;

(j) Issue 10. Principles of monetary valuation.

19. At this stage, it is envisaged that the SEEA experimental ecosystem accounts would be produced as a short document of 50 to 100 pages, providing the conceptual framework on ecosystem accounts. It would not be an international standard as it would not present internationally agreed concepts, definitions and classifications but would provide a consistent and coherent description of the state of the art on a systems approach to ecosystem accounts within a broad framework that could be related to the SEEA central framework. It would provide the basis for countries to advance the implementation of ecosystem accounts using common terms and relatable concepts to facilitate the comparison of statistics and experiences. Only those issues for which broad consensus has emerged will be included in the SEEA experimental ecosystem accounts.

20. In the spirit of encouraging the broadest involvement from the global statistical community and beyond, and promoting a transparent process, project management similar to that of the SEEA central framework will be established for the SEEA experimental ecosystem accounts. The project website includes a dedicated web page where the list of issues, related issues and outcome papers, as well as draft chapters are posted progressively as they become available.

21. It is envisaged in the road map for the development of the SEEA experimental ecosystem accounts that the preparation of outcome papers would be based on discussions on the issues that took place at the previously mentioned meeting on ecosystem accounts in London in 2011, and the drafting of text by the editor who would consolidate the contributions received from various experts. The objective is to have a draft reviewed at an expert group meeting prior to discussions at the next meeting of the Committee in June 2012. Depending on the outcome of discussions by the Committee, a new draft would be circulated for global consultation in the autumn of 2012 so that the draft could be finalized for submission to the Commission at its forty-fourth session. While the Commission would not be requested to adopt SEEA experimental ecosystem accounts as a standard, it is proposed that they be endorsed as a state-of-the-art representation of the statistical representation of ecosystems, serving as a solid basis for continued international work in this area.

D. SEEA extensions and applications

22. At its sixth meeting, the Committee discussed the proposal of a subgroup of the Committee to prepare SEEA extensions and applications as an integral part of SEEA. SEEA extensions and applications also would not be a standard but rather would present various approaches that could be adopted to meet individual country requirements depending on their particular policy needs. However, it is important to note that SEEA extensions and applications would not contain proposed policy solutions; instead they would identify ways in which SEEA could be used to inform policy analysis. The audience for this part, or volume, of SEEA would include primarily analysts and researchers, and data producers and compilers. Policymakers would be best addressed through other types of material, such as briefing notes and

brochures. Possible topics for inclusion in SEEA extensions and applications would be resource efficiency and productivity indicators, analysis of net wealth and depletion, sustainable consumption and production, structural input-output analysis and general equilibrium modelling, consumption-based input-output analysis and so-called footprint techniques, and decomposition analysis. OECD has agreed to take the lead in coordinating the development of SEEA extensions and applications. A proposal on the list of topics to be covered and a road map for its development are being formulated. This work will be discussed at the meeting of the Committee in June 2012. Based on the evaluation by the Committee, SEEA extensions and applications may be submitted to the Commission for possible endorsement.

E. Financial situation of the project

23. The Statistics Division has established a trust fund for the revision of SEEA. In addition to Eurostat and the Statistics Division, the generous contributions of the following agencies are acknowledged: Australian Bureau of Statistics; Central Statistical Office India; Statistics Netherlands; Statistics New Zealand; Statistics Norway; Statistics South Africa; Swiss Federal Statistical Office; and United Kingdom Department for Environment, Food and Rural Affairs.

24. Additional funds would need to be raised for the drafting SEEA experimental ecosystem accounts and SEEA extensions and applications. The funds would be used to cover the salary and travel expenses of the editor and consultants that may be recruited to draft papers as inputs to those parts of SEEA.

III. Progress on the drafting of the subsystem System of Environmental-Economic Accounting-Energy

25. SEEA-Energy is a subsystem of SEEA in that it is fully consistent with SEEA but provides in-depth elaboration on how to apply to energy accounting concepts, rules and classifications. SEEA-Energy is also closely aligned with the International Recommendations for Energy Statistics on fundamental matters related to the definition of energy products, concepts and classifications.

26. The drafting of SEEA-Energy took place in parallel and in close consultation with the central framework of SEEA and provided useful inputs in the drafting of SEEA. A meeting of an expert group on energy accounts took place in New York from 5 to 7 October 2011 to discuss the draft chapters of SEEA-Energy. It agreed that the draft chapters of SEEA-Energy constituted a very good starting point from which to develop an international statistical standard. There was also agreement on the appropriate style for SEEA-Energy and its audience; importantly, there was agreement on the main tables to be included and the essential form that those tables should take. Several issues were identified for attention, including the treatment and presentation of stocks and flows related to renewable energy, and the redrafting of various sections of text to ensure appropriate consistency with the SEEA central framework. Work is proceeding to finalize the remainder of the identified issues and to complete drafting of the chapters.

27. Since the expert group recommended maintaining full consistency with the SEEA central framework, the finalization of the draft of SEEA-Energy cannot be

completed until SEEA is finalized. Global consultation on SEEA-Energy will take place early in 2012.

28. The Committee acknowledged the high policy and statistical demand to adopt SEEA-Energy and suggested that it be adopted by the Bureau of the Statistical Commission in the course of 2012.

29. Because SEEA-Energy is fully consistent with SEEA and the International Recommendations for Energy Statistics, the issues that are expected to emerge from the global consultation would be less onerous than those for the SEEA central framework. In addition, significant consultation has taken place on draft chapters of SEEA-Energy, in particular with the expert group on energy accounts and the Eurostat Reflection Group on Energy Accounts. Mechanisms are in place to continue that dialogue.

30. The Commission previously requested that a joint implementation programme be developed for both the International Recommendations for Energy Statistics and SEEA-Energy; it subsequently endorsed work on drafting the "energy statistics compliers manual", which is scheduled for publication in 2013. The Oslo Group on Energy Statistics is developing the manual with inputs from the London Group on Environmental Accounting for the part related to the compilation of energy accounts. The implementation of recommendations contained in both the International Recommendations for Energy Statistics and SEEA-Energy will be addressed in the manual. All three documents are required for countries to set up multi-purpose energy information systems.

IV. Promotion of the System of Environmental-Economic Accounting

31. Increasingly, SEEA is being recognized as the monitoring framework informing various policy frameworks. In particular, the Committee noted with satisfaction that SEEA had been recognized by OECD as the framework for deriving "green-growth" indicators. More recently, an inter-agency report issued by the Environment Management Group,[6] outlining policies for pursuing a green economic transformation that generates new sources of sustainable and equitable economic growth, recognized SEEA as an important starting point for measuring/monitoring progress, which is an essential part of making the green economy transition towards sustainable development.[7] The report also called for United Nations entities to improve their ability to contribute to the further development of SEEA, including programmatic support for institutions in developing economies to improve their capacity to collect, organize, interpret and communicate relevant data.

32. The Committee also welcomed the plans of the Secretariat of the Convention on Biological Diversity to work with the statistical community to develop a set of indicators that could be derived from SEEA in response to target 2 of the Strategic

[6] The Environment Management Group is a coordination body for the United Nations system composed of specialized agencies, programmes and organs of the United Nations, including the secretariats of multilateral environmental agreements. It furthers inter-agency cooperation in support of the implementation of the international environmental and human settlements agenda.

[7] See the report entitled *Working towards a Balanced and Inclusive Green Economy: A United Nations System-wide Perspective*, which is available online.

Plan for Biodiversity 2011-2020, including Aichi Biodiversity Targets, and reach out to expert groups working under its auspices to contribute to the development of the SEEA experimental ecosystem accounts. It also noted with satisfaction that SEEA was becoming an important tool for researchers carrying out input-output analyses and was increasingly being used as the organizing framework for footprint analyses.

33. The Committee recognizes that, although SEEA is gaining momentum as the underlying measurement framework for the environment and its interaction with the economy, it is a priority to continue working on raising awareness and promoting SEEA. In particular, with the high policy demand for indicators and the resulting proliferation of indicator initiatives, the Committee acknowledged that it had a role to play in engaging with those activities and communicating that it is important for countries to develop integrated information systems which can be used for many purposes, including the derivation of indicators. Particularly for countries with less developed statistical systems, it is important that basic statistics be developed using concepts, definitions and classifications consistent with SEEA in order to enable them to become integrated, in due course, into the accounting framework and linked to other official statistics. The benefits of such a system's approach are driven by policy needs in facilitating the interpretation and analysis of indicators, because the interrelationships between the various basic statistics are made explicit and analysed. The mutual coherence and consistency of the underlying time series for environmentally related statistics are advanced through the introduction of accounting identities and balances inherent in the system. Moreover, other quality assurance aspects are addressed, such as minimizing the response burden and being more cost-effective. The system's approach is also effective for poor data environments, as missing data can be more readily identified and more easily estimated using the accounting structure.

34. In recognizing the importance of continuing to promote SEEA, the Committee discussed the modalities for promoting SEEA as a significant accomplishment and relevant tool in monitoring the state of the environment and the progress being made towards sustainable development and a green economy at major international events, in particular those leading up to the United Nations Conference on Sustainable Development (Rio+20). The Committee encouraged its members to communicate, in clear and practical terms, to the broader community of users beyond the accounting community in order to gain support for the implementation of SEEA in countries. To that end, the Committee requested the secretariat and the Bureau to prepare promotional material that could be used by countries to inform their delegations.

35. As part of the preparations for the United Nations Conference on Sustainable Development, the Preparatory Committee for the Conference has invited Member States, relevant organizations in the United Nations system and relevant stakeholders to provide inputs and contributions to the secretariat for that Conference that would be compiled in a text to be presented to Member States at a meeting on 15 and 16 December 2011. The compilation document[8] could serve as the basis for the preparation of a "zero-draft" of the outcome document. Several countries and international organizations have called for the adoption of SEEA by Member States at the United Nations Conference on Sustainable Development. Furthermore, Issues Brief 6 "Current Ideas on Sustainable Development Goals and

[8] Available from http://www.uncsd2012.org/rio20/index.php?menu=115.

Indicators", which was prepared by the secretariat for the Commission for Sustainable Development, acknowledged that there is merit in using an internationally agreed statistical framework, such as SEEA, as the basis for developing indicators to measure progress on achieving sustainable development goals.

36. A booklet promoting the System of Environmental-Economic Accounting for Water (SEEA-Water)[9] was prepared by the Statistics Division and the World Water Assessment Programme of the United Nations Educational, Scientific and Cultural Organization as a monitoring framework for water. It was distributed at the World Water Week in Stockholm in August 2011, as well as at other relevant events. In collaboration with the Economic Commission for Latin America and the Caribbean and the World Water Assessment Programme, the booklet has been translated into Spanish.

37. Additional promotion materials, including a booklet showing how SEEA can be used to inform the green economy, are being prepared jointly by the Department for Environment, Food and Rural Affairs (United Kingdom), the Department of Economic and Social Affairs of the Secretariat, the United Nations Environment Programme and the Organization for Economic Cooperation and Development.

V. Implementation of the System of Environmental-Economic Accounting

38. As requested by the Commission at its forty-first session, the Committee discussed the implementation strategy for SEEA. In particular, the Committee stressed the importance of encouraging countries to adopt SEEA in their national statistical development plans, recognizing the difficulties that countries may face due to conflicting priorities. It also recognized the urgency of developing a minimum required core set of accounts for countries to implement. Such accounts should allow for incremental implementation starting from very simplified tables consisting at the most simple level of totals of, for example, water abstraction for the total economy, extending to more disaggregated information by economic activity. The minimum required set of accounts should also be clearly linked to the derivation of indicators. They should be simplified and cover primarily issues of global importance. Water and energy together with air emission accounts were considered priority areas, although it was acknowledged that for some countries other issues might be more relevant. It is important to note that SEEA can be progressively implemented by countries depending on their circumstances and policy needs. The Committee will continue to work further in this area and discuss a concrete proposal at its 7th meeting in June 2012, and that proposal will be included in the Committee's report to the Commission at its forty-fourth session in 2013.

39. The development of training material and compilation guidelines to be widely disseminated in countries and posted on the website of the Statistics Division was considered a very important activity, which would ensure a common approach to implementation regardless of the international or national experts providing the training. The materials could be developed by experts to be vetted by expert groups, such as the London Group on Environmental Accounts. In this regard and in line

[9] Available from http://unstats.un.org/unsd/envaccounting/WWAP_UNSD_WaterMF.pdf.

with the priority areas for the implementation of SEEA, the Statistics Division is in the process of bringing together training material which has been used by various experts during the implementation of SEEA-Water in order to obtain an agreed set that could be widely disseminated. Similarly, the preparation of the "energy statistics compliers manual" will bring together compiled materials and country practices for implementation of energy accounts.

VI. Coordination

40. As mandated by the Commission, the Committee discussed the progress of activities carried out by city groups and other technical expert groups working within the mandate of the Committee of Experts. These include activities of the London Group on Environmental Accounting, Oslo Group on Energy Statistics, Intersecretariat Working Group on Environment Statistics, OECD, Eurostat and the Economic Commission for Europe (ECE) related to the programme of work of the Committee.

A. London Group on Environmental Accounting

41. The London Group on Environmental Accounting met in Stockholm from 12 to 15 September 2011 to review chapters 3-6 of the revised SEEA and the comments received from the first global consultation. The main outcome of the review was that the chapters were generally considered to be of good quality; a few suggestions for improvement were addressed. Other issues discussed at that meeting were the development of SEEA experimental ecosystem accounts, SEEA implementation, applications and policy uses.

42. The review of chapters represents a final step in the London Group's contribution to the development of the SEEA central framework. In previous stages of this process, the London Group assisted the Committee in developing a research agenda and providing outcome papers on each of the identified revision issues. In 2012, it is expected that the London Group would be engaged in the preparation of the SEEA experimental ecosystem accounts, for example by reviewing proposed concepts and methods, focusing in particular on consistency with the SEEA central framework. Another expected task of the London Group in the foreseeable future is assisting the Committee in developing a SEEA implementation strategy, for example by contributing to the development of training and compilation material, assisting in priority-setting and continuing to contribute to the development of the SEEA extensions and applications.

43. The 18th meeting of the London Group is scheduled for the first week of October 2012 and will be hosted by Statistics Canada.

B. Oslo Group on Energy Statistics

44. Following the adoption of the International Recommendations for Energy Statistics by the Commission at its forty-second session, the Oslo Group on Energy Statistics began focusing its activities on the preparation of the "energy statistics compilers manual", which when published is intended to provide practical guidance

on the implementation of the International Recommendations for Energy Statistics and the forthcoming SEEA-Energy. The 6th meeting of the Oslo Group in Canberra from 2 to 5 May 2011 was dedicated to the preparation of the manual. In particular, the meeting agreed on a three-stage workplan: (a) collection of country practices and textual inputs for the manual; (b) consolidation of the material into a complete draft manual; and (c) consultation on and review of the draft. The timeline presented at the meeting envisaged finalization of the draft manual in 2013.

45. In relation to the first stage, the Oslo Group secretariat, in cooperation with the Statistics Division and selected members of the Oslo Group, prepared a draft template for writing the input on country practice. The purpose of the template is to enable collection and sharing of country experiences in the compilation of energy statistics, and give structured input to the manual. In addition, it is expected that the information on practices submitted by countries will be made available in a knowledge-base platform. In November 2011, the draft template was circulated for comment to members of the Oslo Group and the London Group.

46. The main activities of the Oslo Group in 2012 will be related to writing and collecting information on country practices and drafting chapters for the manual. The preparation of the manual will require contributions from members of both the Oslo Group and the London Group as the manual is intended to give practical guidance on both the International Recommendations for Energy Statistics and SEEA-Energy. The Oslo Group and the London Group, together with the Statistics Division, are encouraging countries to submit information on country practices in respect of topics related to energy statistics that could be used as a basis for writing input for the manual. In addition, the Oslo Group secretariat and the Statistics Division, in consultation with countries, will identify contributors for drafting the text of the different chapters of the manual.

47. The 7th meeting of the Oslo Group is planned to take place in Finland in October 2012, and will be dedicated to discussing draft text for the different chapters in the manual.

C. Intersecretariat Working Group on Environment Statistics

48. The Intersecretariat Working Group on Environment Statistics conducted no joint events in 2011. In 2012, it will contribute to the finalization of the revision of the Framework for the Development of Environment Statistics and the core set of environment statistics. It will also discuss the revision of the OECD/Eurostat joint questionnaire and the questionnaire on environment statistics of the Statistics Division and the United Nations Environment Programme (UNEP), and harmonize the data collection and event schedule for the period 2012-2013.

D. OECD work related to the programme of work of the Committee of Experts

49. The work carried out by OECD relevant to the programme of work of the Committee covered the following areas: (a) work on indicators to monitor progress towards green growth; (b) work on material flows and resource productivity; and (c) review of the OECD state of the environment questionnaire.

1. Monitoring progress towards green growth

50. At the OECD Ministerial Council Meeting in Paris in May 2011, ministers welcomed the OECD green growth strategy and encouraged OECD to work further on indicators for green growth in line with the report *Towards Green Growth: Monitoring Progress — OECD Indicators*. The report expounds a conceptual framework for measuring green growth, a proposed set of 25 indicators and a measurement agenda to address key issues with an indicator set.

51. Green growth has been defined in several dimensions: (a) pursuing economic growth and development while minimizing pressures on the quality of the environment and on the use of natural resources; and (b) catalysing investment and innovation which will underpin sustained growth and give rise to new economic opportunities. The work on green growth indicators proceeds along five indicator groups: (a) the environmental and resource productivity of production and consumption; (b) the natural asset base of the economy; (c) the environmental dimension of the quality of life; (d) economic opportunities and policy responses; and (e) the socio-economic context and characteristics of growth.

52. By their very nature, green growth indicators have to combine economic and environmental information in a consistent way. While there is a substantive amount of economic and environmental data, it is often difficult to combine them due to differences in classifications, terminology or timeliness. A first and crucial ingredient of the measurement agenda is thus to develop and populate a consistent environment-economy accounting framework. Hence, the measurement agenda includes explicit reference to SEEA.

53. Work to advance the green growth measurement agenda in the period 2012-2013 will focus on:

(a) The identification of a balanced set of headline indicators;

(b) Further development of indicators on biodiversity and nutrient balances;

(c) Development of accounts on land (monetary valuation, volume measures);

(d) Better information on stocks of key natural assets (mineral and timber resources);

(e) Extended growth accounting.

54. An updated report on green growth indicators will be prepared in early 2013.

2. Material flows and resource productivity

55. The work on material flows and resource productivity supports the implementation of the recommendations of the OECD Council on material flows and resource productivity (April 2004 and March 2008). A fact-based report on material flows and resource productivity in OECD countries and beyond will be published in 2012. Future work will focus on further development of the information base and related indicators.

3. OECD state of the environment questionnaire

56. A review of the OECD state of the environment questionnaire was launched in 2009 in close cooperation with Eurostat, the Statistics Division, UNEP and the Intersecretariat Working Group on Environment Statistics. It took into account recent developments in the field of environment statistics and environmental accounting. A restructured and updated set of questionnaire sections will be available in 2012.

E. Eurostat work related to the programme of work of the Committee of Experts

57. The European Commission group which was developing a follow-up to the so-called Stiglitz report and its Communication to the Council and the European Parliament, entitled "GDP and beyond: measuring progress in a changing world", produced its final report in mid-2011. That report contained a range of recommendations relating to national accounts, social and income distribution issues, as well as environmental issues. These are now being progressively implemented.

58. For environmental accounting, the main development in 2011 was the adoption of the first ever regulation on environmental accounts by the European Parliament and Council. That European Union law obliges all members to compile and transmit environmental accounts in a standard format and according to a standard timetable.

59. This first regulation covers air emissions by codes prescribed by the International Standard of Industrial Classification of All Economic Activities at the 2-digit level, economy-wide material flow accounts and environmental taxes. Policy users in the European Parliament and European Commission stressed very strongly that environmental accounting is much more than just these modules and they expected to see rapid progress in other areas, including environmental protection, environmental goods and services, energy accounts, environmentally related subsidies, resource use and management, waste, water and forest accounts. Development work has started on a second set of modules for a new regulation to include energy accounts, environmental goods and services and environmental protection expenditures. The new modules are expected to be approved by the end of 2012.

60. Data have already been produced and regularly disseminated for many of these areas but without full country coverage and unfortunately still with many gaps in the data.

61. The underlying structures for almost all of the data are environmentally extended supply and use tables and input-output tables in line with SEEA. Such tables were produced during 2011, first for air emissions allocated to the producers of those emissions. Input-output modelling techniques were then used to estimate the emissions induced in the European Union and beyond by the final use of products. Further extensions are now being added to these input-output tables.

F. Economic Commission for Europe

1. Joint Economic Commission for Europe/Eurostat/OECD Task Force on Measuring Sustainable Development

62. The joint ECE/Eurostat/OECD Task Force for Measuring Sustainable Development, which was set up by the Conference of European Statisticians, launched its work in 2010. It follows up on previous work, which was based on the capital approach to measuring sustainable development. The objective of the new work is to further advance the conceptual framework and identify indicators to present the long-term dimensions of sustainable development. In addition, indicators are also being developed to present the quality of life of the current and future generations.

63. The work has progressed in several directions. The task force prepared a draft report that highlights the importance of both the present and the future aspects of well-being. The proposed set of sustainable development indicators covers the "needs of the present generation", the "needs of the future generations" and the "international dimension". The task force plans to finalize its report in 2012.

64. The work of the task force follows up on the decision of the Economic Commission for Europe taken at its sixty-fourth session in March 2011, which requested the Conference of European Statisticians to develop a framework for measuring sustainable development within the realm of official statistics. The work of the task force is also strongly linked to the work undertaken by other institutions, such as the recommendations contained in the Stiglitz report, the "GDP and beyond" initiative and the OECD-hosted global project on "Measuring the Progress of Societies". The task force follows closely the work of the Sponsorship Group on Measuring Progress, Well-being and Sustainable Development, initiated by Eurostat and the National Institute of Statistics and Economic Studies, France.

2. Intersectoral task force on environmental indicators

65. The Joint Task Force on Environmental Indicators, established in 2009 by the ECE Committee on Environmental Policy and the Conference of European Statisticians, continued its work to improve data production and promote comparability of environmental statistics in the countries of Eastern Europe, Caucasus and Central Asia. The Statistics Division and the European Environment Agency are actively involved in the work of the joint task force by providing financial support and expert knowledge.

66. During five meetings held in the period 2009-2011, the joint task force reviewed 31 of the 36 indicators recommended in the ECE Guidelines for the Application of Environmental Indicators in Eastern Europe, Caucasus and Central Asia, which had been endorsed at the sixth Ministerial Conference "Environment for Europe" in 2007. These include environmental indicators in such key areas as clean air, energy, drinking water, waste, forest biodiversity and sustainable transport. The joint task force also considered additional indicators that, although important, are currently not included in the indicator guidelines, namely environmental expenditure indicators, agri-environmental indicators, energy and environment indicators, and new water and biodiversity indicators.

67. The work will continue in 2012 to further review the indicator guidelines and agree on the inclusion of additional indicators. Further work will also include the development of a core set of indicators that could form the basis for regular collection of data. Two workshops will be organized under a United Nations Development Account project in areas where further methodological work is needed. The first workshop will focus on waste statistics; it is planned to take place consecutively with the next meeting of the joint task force.

VII. Points for discussion

68. **The Commission may wish to:**

(a) **Endorse the System of Environmental-Economic Accounts Central Framework as proposed;**

(b) **Express its views on the adoption of the central framework as an international statistical standard;**

(c) **Express its views on the finalization of SEEA-Energy;**

(d) **Comment on the progress of work of the Committee.**